



**SAT/  
SSF**

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**SAN ANTONIO  
AIRPORT SYSTEM**

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**2006** YEAR IN  
REVIEW

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**Customer Satisfaction is #1**

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People Make the Difference

# SAN ANTONIO AIRPORT SYSTEM

## 2006 YEAR IN REVIEW

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# SAAS 2006 Year In Review

## Prominent Airport System Accomplishments in 2006

- > Record breaking number of passengers passed through San Antonio International (SAT).
- > New, expanded air service provided a record number of non-stop destinations with the addition of flights from Southwest Airlines, United Airlines and AeroMexico.
- > New terminal, parking and roadway expansion projects at SAT got underway with preliminary utility relocations and airside aircraft parking ramp construction work.
- > Acoustical treatment began on the first phase of qualified neighboring homes.
- > Infrastructure projects were initiated on the airfield to facilitate expansion of general aviation facilities at SAT.
- > Completion of the new entrance monuments and landscape project at SAT - a recipient of the Beautify San Antonio's "Beautification" award.
- > Completion of the Economy Parking Lot Expansion Project, now providing a total of 1,345 parking spaces at \$5.00 per day including shuttle bus pick up and drop off at the terminals.
- > Groundbreaking and construction began on Stinson Municipal Airport's 24,000 square foot Customer Service Terminal Expansion Project.





## Director's Message

2006 marked my first complete year as the City's Aviation Director, and this report presents an opportunity to share with you our Department's successes during the year. These accomplishments could not have been possible without the full and engaging support of Mayor Phil Hardberger and the City Council, City Manager Sheryl Sculley, Assistant City Manager Penny Post oak Ferguson, the City's Executive Team, Air Transportation Advisory Commission, airport tenants and airlines, federal agencies, and our business and community leaders.

The Airport System is a key driver in our economy, employing over 7,000 individuals working to meet the area's aviation needs. Of this total, and important in accomplishing the City's goals and objectives for the San Antonio Airport System, is the team of 450 Aviation Department team members, 121 volunteer ambassadors, and several contractors working together to deliver excellence in services to today's customers and tomorrow's world-class facilities.

Our airlines and tenants, through their facility rentals and user fees, as well as our customers through their purchase of services and merchandise, financially support the daily operations of the San Antonio Airport System. These self-generating revenues, along with federal funding provided through passenger ticket sales, also pay for airport capital improvements.

During the fiscal year ending September 2006, we extended our industry leading performance. A strong 8% increase in passenger traffic over 2005 contributed to operating revenues of \$52,773,846 - an 11.9% increase over the previous year. In addition, the Airport System continued to maintain strong investment grade ratings from Moody's Standard and Poor's and Fitch.

### Projects Underway in 2007

- > New 2,815-space long-term parking garage at SAT, with approximately 60% to be opened in time for the December 2007 holiday travel.
- > Expanded Cell Phone Lot in new permanent location.
- > Partial Terminal 2 demolition and remodeling to facilitate uninterrupted passenger services while making way for construction of the new Terminal B and two-tier roadway system.
- > New aircraft parking apron projects to accommodate the terminal expansion program.
- > Late fall groundbreaking ceremonies for the start of one of the two planned terminals – Terminal B, which will replace Terminal 2.
- > Additional concessions for Terminal 1.
- > Commencement of engineering design for extension of SAT Runway 3/21 and supporting taxiways, contingent upon receiving the necessary FAA approval in 2007.
- > Stinson terminal building expansion project.



Through 2011, airport capital improvements will include the largest ever expansion program at a projected cost of just over \$615 million. Our mission is to achieve expected results as quickly as possible, and to exercise our fiduciary responsibility ensuring budgets are met to the greatest extent possible.

Recognizing the need for time and cost savings in the delivery of the multi-phased Terminals B and C construction projects, the City Council, in June 2007 awarded a Construction Manager at Risk (CMR) contract to the joint venture of Clark Construction Group, LLC/Thos. S. Byrne. This type of project delivery tool is a first for the City and the Airport System. The CMR, contracting directly with subcontractors, will expeditiously facilitate construction on portions of new terminal facilities while design is being completed on various other program elements. This process is expected to reduce the construction schedule and the number of change orders required by design changes.

Efforts during 2006 to assess environmental impacts for extending Runway 9/27 at Stinson reached their ultimate conclusion in August 2007 with the Texas Department of Transportation Aviation Division's "Finding of No Significant Impact". This FONSI permits design and construction to lengthen the runway to 5,002 feet in accordance with the master plan recommendations, and will make the Airport more appealing for a wider variety of general aviation aircraft. We expect design work for extending the runway to begin in 2007.

Customer service, safety and security remain our number one priorities. We continue to work with the Transportation Security Administration (TSA), Federal Aviation Administration (FAA), airlines, tenants and various city-wide law enforcement agencies to support highly regarded safety and security services. Striving to "walk in our customers' shoes" every day, we remain watchful of any inconveniences that may exist because of the construction now under way on our roadways, in our parking areas and in and around the terminals. We recognize that this type of work results in temporary alternatives to wayfinding around the Airport. Our team of Aviation Department, Program Management and contractors are working very hard to alleviate customer inconveniences caused by the construction.

Our customer and tenant opinions are very important to us. Surveys have been and continue to be conducted regularly to determine the kinds of improvements that our customers want to see in airport services and amenities. Tenant surveys are conducted and regular meetings are held with our airport tenants as a means of improving communication and service delivery. As a result of these surveys, new concessions are being planned for Terminal 1, both before and after the security checkpoint.

The San Antonio Airport System recently received the ultimate recognition for customer service from the J.D. Power and Associates 2007 North America Airport

### Highlights of new customer, safety and security service improvements implemented in 2006

- > Additional passenger checkpoint lanes and baggage screening equipment installed to speed up vital security processes.
- > Airport Police Officers incorporated bicycle and Segway patrols within their daily operations.
- > Airport Police initiated the Volunteers in Airport Police (VAP) program, utilizing community volunteers to support current airport law enforcement and security personnel.
- > A temporary Cell Phone Waiting Lot was constructed to streamline passenger pick-ups. This new airport amenity reduces traffic congestion and improves pedestrian safety in front of the terminals. It has been so successful that construction on a new, permanent Cell Phone Waiting Lot is underway in 2007.
- > Deaf Link services installed in SAT terminals to assist airport patrons with hearing impairments.
- > A new airport website was launched with useful links and services, as well as historical and current information to assist travelers, pilots, business prospects, etc.



Satisfaction Study. The study was based on responses from 10,200 passengers who took flights between May 2006 and April 2007. San Antonio International Airport ranked second in all categories in comparable airport sizes and in particular, was rated highest in airport accessibility and check-in/baggage check. This is especially impressive given that the Airport is undergoing major construction work.

Growing air service to meet the increased demand of our expanding economy is a very important priority for the City, its corporate and business community and various industries such as San Antonio's nationally recognized visitor and convention business. Through the collaborative efforts of our corporate and business community, the Greater Chamber and city officials, a "Blue Ribbon Task Force" has been established to work with airlines on meeting the community's needs for non-stop flights on targeted unserved destinations and additional frequencies on existing targeted routes. Additionally, San Antonio considers Mexico a valuable trading partner and, as such, we are working with area businesses and community leaders on implementing the City's San Antonio-Mexico Strategic Marketing Program. The goal of this Program is to increase trade and travel between San Antonio and Mexico cities. The success of these efforts will support our initiatives to add more nonstop flights to Mexico.

We owe the San Antonio community, our tenants, and customers an Airport System that is well positioned to meet the region's transportation needs today and well into the future. All of us are partners working together and moving forward to bring to fruition the goal of higher standards in airport facilities and services. All of our partners are to be congratulated for successes in 2006. We are grateful for your continuing support and look forward to sharing our future successes with you.

**Mark H. Webb**  
Aviation Director



**Mark H. Webb**  
Aviation Director

# San Antonio's Air Service Soars to New Heights

## SAT Hits All-Time Passenger Record in 2006

A total of 8,031,936 passengers passed through San Antonio International Airport (SAT) in 2006, representing an 8% increase over 2005, which was also a record year. Of this total, 4,002,903 passengers boarded flights at SAT. Southwest Airlines handled 35% of San Antonio's passengers, followed by American Airlines with 21.3%, Continental with 12.6%, Delta with 9%, United with 8% and Northwest with 6%.

## Air Cargo Increased in 2006

Total air cargo handled at SAT in 2006 was 7.8% higher than in 2005. Freight and mail totaled 284,122,382 pounds. Federal Express handled 51.7% of the total air cargo followed by UPS with 33.3% and Astar with 5.9%. Passenger aircraft belly freight accounted for 8.3% of the total air cargo handled in 2006.

## Southwest Adds Lucky 13 to Its List of San Antonio Nonstop Routes

Southwest Airlines started 2006 off in the right way by launching daily non-stop service from San Antonio to San Diego, CA. This new service began February 5, 2006 and connects passengers to two of the country's most exciting tourist destinations. The airline also added second frequencies to Chicago Midway, Orlando and Baltimore. With the addition of San Diego, Southwest Airlines now has almost 50 flights departing from San Antonio International Airport each day, offering San Antonians non-stop service to 13 destinations.

## United Airlines Introduced New Non-stop Flights

In 2006, San Antonio travelers had a host of new non-stop flights thanks to Chicago-based United Airlines. During the first quarter of 2006, United Express partner Trans State Airlines launched new daily non-stop flights from San Antonio to seven new cities – New Orleans, LA; Colorado Springs, CO; Omaha, NB; Albuquerque, NM; Oklahoma City & Tulsa, OK; and Kansas City, MO. Later in the year, these flights were discontinued.

United Airlines continues to offer non-stop flights to its major hub airports in Chicago, IL; Denver, CO; San Francisco and Los Angeles, CA; and Washington, DC Dulles. The latter three destinations were initiated in 2005 and have been so successful that additional flights have been added to handle the passenger demand.

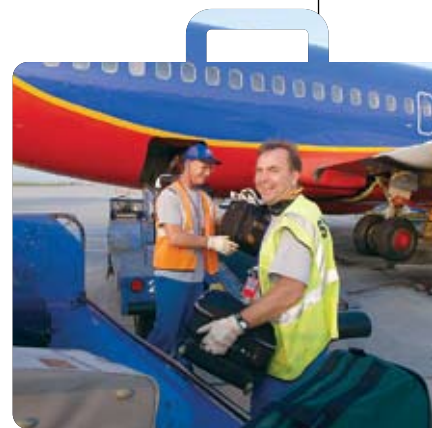
## AeroMexico Expands with Daily Flights to Mexico City

On November 16, 2006, AeroMexico started daily non-stop flights between San Antonio and Mexico City. AeroMexico, founded in 1988, connects San Antonio passengers in Mexico City to more than 40 cities in Mexico and five countries in Europe and South America.

AeroMexico also provides charter flights from San Antonio to various beach destinations during the spring and summer months through FunJet Vacations. All passengers, including coach class, are treated to traditional Mexican hospitality with full meals, complimentary cocktails, and exceptional in-flight service.

## San Antonio's Top 20 Passenger Demand Markets for Travel

According to the Department of Transportation, *San Antonio's Top 20 Domestic Origination and Destination Passenger Markets* are in descending order: Dallas/Ft. Worth, TX\*; Chicago, IL\*; Las Vegas, NV; Houston, TX\*; New York, NY\*; Los Angeles, CA; Baltimore, MD; Denver, CO; Washington, DC\*; Atlanta, GA; Phoenix, AZ; Orlando, FL; El Paso, TX; St. Louis, MO; Kansas City, MO; San Diego, CA; Seattle/Tacoma, WA; Detroit, MI; Minneapolis, MN; and Philadelphia, PA. Seventeen of these markets have non-stop service from San Antonio. (\*Includes two or more airports.)







## SAT concessionaires also win in all 13 of ARN's 2006 Best Concessions Poll categories.

- > **Stars of San Antonio** - Best New Specialty Retail Concept
- > **Alamo Books & Café, Marble Slab Ice Cream, Taste of the Orient and Texas Accent** – Retailer with the Highest Regard for Customer Service
- > **Simply Books, Swatch, In Celebration of Golf and Landing Gear** – Best Airport Retail Store Design
- > **Alamo Extra News & Gifts International** – Best Airport News & Gifts Operator
- > **Swatch and International Duty Free** – Best Retail Brand Operator
- > **Las Palapas, Rosario's, Famous Famiglia and Frulatti Cafe** – Best New Food & Beverage Concept
- > **Rosario's, Starbucks, Famous Famiglia, Marble Slab and Taste of the Orient** – Food Concept Operator with Highest Regard for Customer Service
- > **Creative Croissants, Famous Famiglia, Gervin Sports Bar and Marble Slab** – Best Airport Restaurant Design
- > **HMSHost of Starbucks, Blimpie's Sub and Quiznos Subs** – Best Food/Beverage Brand Operator
- > **Rosario's, Alamo City Microbrewery and Famous Famiglia** – Best Airport Food & Beverage Operator
- > **Blimpie's Subs and Frulatti Café** – Best Disadvantaged Business Enterprise (DBE) Operator

## Customer SATisfaction is Our #1 Goal

### Howdy y'all & Welcome to San Antonio

The friendliness of San Antonio couldn't be more apparent than with the volunteers who man the information booths or walk the terminal lobbies and gate areas aiding passengers with questions or directions. This group of outstanding area citizens has particularly stepped up when needed to help passengers where changes and incidents due to construction have impacted the passengers. They assist Airport personnel at various sponsored events and ribbon cuttings. The Airport Ambassadors, a program started in August 2000, boasts 121 active volunteers. In their typical western attire, the Ambassadors served 532,816 passengers in 2006. From August 2000 through December 2006, the Ambassadors served 1,994,822 passengers.



### SAT Concession Program Again Wins Awards

For the third year straight, *Airport Revenue News* (ARN), the airport industry's leading trade magazine, recognized San Antonio International Airport's (SAT) concession program through its 2006 Best Concession Poll. Awards were given to SAT for Best Customer Service Airport-Wide, Most Unique Services, and Best Concession Management Team. The awards for Most Unique Services and Best Concession Management Team are a repeat performance from 2005. SAT won the awards under the small airport division (airports with less than 4 million enplaning passengers).

The Best Customer Service Airport-Wide is given to airports where quality customer service is obvious throughout the airport via friendly employees, signage, information services, ambassador programs, etc. The Most Unique Services award is given to airports with novel services new to the industry and serving passengers well, such as business services, internet hook ups, etc.



## New Airport Concessions Management Making a Difference

In March 2006, Unison Maximus, Inc. was hired by the City to assist the Aviation Department in developing a new food and retail concession program for Terminal B and to manage the day-to-day operations of the current program. Returning to the days when flying was glamorous and passengers were pampered is the goal of Unison Maximus' new concession program – branded *SA on the Fly*. The key is to make sure employees are trained in good customer service; the product is the same or better than off-airport branded establishments; and prices are competitive with those in malls and strip centers.

Under Unison's management, the food and retail concession program closed out 2006 with sales totaling an all-time high of \$28 million and average sales per passenger reaching \$7.22.

### SAT Concessions Branded Anew: *SA On the Fly*

The Concession Marketing Program underwent an overhaul in 2006 with the help of tenant feedback. The MightyGroup, a San Antonio based advertising agency, created *SA on the Fly*, a branding campaign promoting a sense of San Antonio's rich diversity and around-the-clock hospitality. The new marketing program has added relevant travel information, while continuing to offer the San Antonio traveler an exceptional shopping and dining experience. In order to promote the message of *SA on the Fly*, a large array of marketing materials that are easy to read with the *SA on the Fly* URL is included. These include: terminal brochures, in store coupons, banners, post card, signage and a new web site.

The newly developed *SA on the Fly* web site is one of a kind, offering concession information for each retail shop and restaurant, maps, airline and flight information, discount and promotional offers, and other resources. Sleek graphics, bold colors and vibrant visual design of the *SA on the Fly* brand have been emphasized. The web site will serve in the promotion of the airport's wireless Internet capabilities. In addition, it will act as a great resource not only for travelers, but also for employees and managers.



### New Concessions Add to Exceptional SAT Shopping and Dining Experience

The addition of Famous Famiglia in Terminal 2 and Brookstone in Terminal 1 has contributed to the increase in sales at SAT. In 2006, Famous Famiglia, an internationally recognized and globally respected brand within the pizza industry, opened a second location at SAT. The new location in the Terminal 2 Food Court area has proved to be just as successful as the location in Terminal 1. In November, the nationally known specialty retailer Brookstone opened their door just in time for the holidays. Brookstone offers San Antonio travelers an assortment of unique and innovative products that are functional and distinctive in quality and design.

A Request for Proposals (RFP) for a Commercial Facilities Advertising Concession was developed in 2006. This first of its kind RFP will consolidate the San Antonio International Airport, Convention Center and Alamodome into one contract in order to enable

and encourage the comprehensive and synergistic promotion of San Antonio, and its surrounding area, across its major facilities. This RFP was released in early January 2007 with the intent of maximizing the promotion of three of the city's major facilities together in a way that will showcase state-of-the-art technology, innovation and creativity in advertising.



# Safety and Convenience Notched Up With Added Services



## Cell Phone Waiting Lot Streamlines Passenger Pick-up

Transportation Security Administration (TSA) mandates prohibit parking (waiting) at terminal curbside. Additionally, the SAT Terminal Expansion Program and resulting roadway construction have added to the traffic congestion in front of the airport terminals. Surveys showed that about 40 percent of all vehicles passing in front of the terminals were “re-circulating” in an effort to perfectly time their passenger arrival for pick up.

To reduce the traffic congestion and improve safety, a free-of-charge parking area was set aside along Airport Boulevard. The “Cell Phone Waiting Lot” gives drivers a place to park, wait and use their cells phones in order to time the passenger pick-up in one easy pass in front of the terminals. This temporary 28-space cell phone waiting lot has been so successful that development of a permanent lot closer to Loop 410 is in the works.

## Cops on Wheels Add to SAT Security

In an effort to increase safety, airport police officers have begun incorporating bicycle patrols within their daily operations. Use of bikes allows quicker response to calls in areas not readily available to a patrol car, increased interaction with the public, and improved physical fitness for the officers. The enhanced response capability to emergencies and service calls also greatly increases the police officer’s effectiveness in crime prevention and detection. The bicycle patrol will be a valuable tool for communicating one-on-one and assisting Airport patrons.

Mobility innovations have arrived at SAT in the form of “Segway” Human Transporters. The Segways will primarily be utilized by the airport police officers to navigate between the terminals and within the concourses, ticket lobbies and baggage claim areas for readily assessing and addressing situations requiring intervention. The Segways will also be used by police officers during their patrols in the parking facilities, allowing them to cover as much ground as possible in the shortest time. Besides maximizing mobility, the chief advantage is visibility. While on the Segway, the police officer stands above the crowd and has the advantage of easily viewing a developing situation or being seen when a SAT patron is seeking assistance.



## Man’s Best Friend On Duty at SAT for Safety

In June 2006, the city received additional grant funds from the TSA to cover SAT’s expense of increased participation in the TSA Explosives Detection Canine Team Program. The added funds allow for an increase of from four to five canine teams (canine and airport police officer) to operate at the Airport. The TSA Explosives Detection Canine Team Program is designed to assist airports in explosives detection by providing training for both personnel and canines, and reimbursement of operating expenses up to a specified amount annually per team. SAT has participated in this program since May 2002.



## Airport Police Launch V.A.P. Program

With the increase in passenger air travel and construction of new terminals, garage and roadways, SAT’s airport police division has incorporated a non-traditional resource to help with safety for airport employees and the traveling public. A new program, Volunteers in Airport Policing (V.A.P.), was initiated in 2006 for the purpose of increasing security, enhancing customer service, and providing additional staff in the event of an unusual occurrence.

The two-tier program: (1.) recruits and trains citizen volunteers for limited support of current law enforcement and security personnel; (2.) consists of an outreach initiative designed to educate and create partnerships with area neighborhood associations, while serving as a recruiting tool for the airport police division’s V.A.P.

## Added Lanes Speed Up Passenger Screening

To reduce TSA screening wait times and to ease the congestion in Terminal 1’s lobby area, the Aviation Department built out an area next to the food court. The newly created area allowed the TSA to install equipment for a fifth screening lane. This added capacity has significantly improved passenger processing through the Terminal 1 checkpoint.



# SAAS Receives Awards



## SAT Receives Beautification Award for Landscape Project

The Landscape and Entrance Project, completed in 2006, was recognized by the Beautify San Antonio Association. The Beautification Award was presented to the Aviation Department for a project that included installation of drought tolerant and low maintenance native plants and trees. The new landscape planting areas were placed in berms parallel to the entrance drives to block and minimize the view of side parking lot areas. The project also included new entrance monuments of curved walls made of local limestone, tarnished metal and punched aluminum, all of which tie into the roadway signage, garage exterior and terminal interiors.

## Good Airport Communications Rewarded

The Airport's television show "Airport Airwaves" earned a bronze award in the Texas Public Relations Association's (TPRA) 2006 Silver Spur/Best of Texas Competition. Each year the TPRA recognizes "the finest work produced by public relations professionals throughout the state. The show is co-hosted by Public Relations Manager David Hebert (L) and Aviation Director Mark Webb (R). Airport Airwaves, aired on the City's access Channel 21, is the Aviation Department's vital connection to the surrounding community, relaying the latest updates on construction and events at SAT and Stinson.



# Airport Art Program Entertains and Informs



Nothing says more about the San Antonio community than its expressions in art and architecture. San Antonio International is home to a permanent art collection and rotating exhibitions program called Airport Art Spaces. This work is displayed in locations throughout the airport facilities.

## San Antonio International Airport Art Program

Arriving passengers in Terminal 1 pass through portals of tile and metal etchings designed by local artist Cesar Martinez. The portals showcase San Antonio's distinctive historical venues and culture. The unique terrazzo flooring depicting the nuances of the San Antonio River, located between the two Terminal 1 food courts, and retail area just past the security checkpoint, is the work of Los Angeles artist May Sun.

Additional permanent exhibits are planned for the new Terminals B and C. Seattle-based Ann Gardner and local artist Rolando Briseño have been chosen to develop art pieces in Terminal B that speak to San Antonio's uniqueness as a city. Ms. Gardner's "Ribbon of Light" sculpture will be installed in the lobby area adjacent to the passenger check-in area. Mr. Briseño has plans for the gate-concourse area that will include terrazzo floor designs reflective of San Antonio's heritage and window etchings of various San Antonio architectural entryway features.



Terminal C passengers will be intrigued by artistic pieces designed by local artist Meg Langhorne and New York-based artist Donald Lipski. Ms. Langhorne's proposed design includes use of various South Texas animal footprints that will crisscross the concourse and gate areas. Mr. Lipski is designing a dynamic water sculpture that will be installed on the east limestone wall of the lobby area. The water will surge through a clear tubing sculpture with intricate twists and bends similar to the San Antonio River that winds through downtown San Antonio.

## SAT Parking Artworks

Parking patrons experience several art works as they find their way to the crosswalks leading to and from the terminals. For the long-term garage, Christopher Jenny of Lexington, MA designed a canopy of colorful mosaic acrylic inserts and a walkway of flashing lighted bollards with coordinated musical sounds titled "Paseo Walkway". At various times of the day, the skylight throws colorful images onto the interior structure walls, while the flashing lights and sounds draw patrons to the central walkways. Leading from the short-term and long-term garages to Terminal 2, local artist Bill Fitzgibbons installed an aircraft-winged sculpture titled "Day Star Walkway". This sculpture will be relocated to a new garden-like setting adjacent to the new long-term parking garage.

A recent addition to the permanent art collection is "A Can for All Seasons" by Alejandro Diaz, which is on display in the SAT's garage walkway. This display presents a series of four can sculptures fabricated in aluminum and hand-painted with industrial-grade enamel images of food products produced in Mexico. They are exhibited in a popular local aesthetic of growing plants in cans.

For the new long-term parking garage, nationally recognized local artist Gary Sweeney is designing a series of nostalgic/vintage baggage labels that highlight San

Antonio, the Hill Country and South Texas. These large enamel painted signs will be installed at various positions in and around the new parking facilities area and pedestrian walkways. In addition, San Antonio artist Chuck Ramirez has chosen the pedestrian walkways leading from the parking facilities to the terminals to place back-lighted screening with depictions of open suitcases that reveal their curious and sometimes mysterious contents to passersby.

## The Airport Art Space galleries exhibited several shows curated by Diana Roberts in 2006.

**The following exhibitions included artworks in celebration of national and international themed events:**

### Photoseptiembre 2006

#### > Deborah Keller-Rihn's "The 21 Aspects of Tara"

Tara is the Tibetan goddess of compassion, said to have been a mortal woman before becoming a goddess. In this series of hand-painted digital photographs, artist Deborah Keller-Rihn depicts real women as manifestations of Tara.

### Contemporary Art Month 2006

#### > Painting and Sculpture by Larry Graeber

Paintings of different scale utilize variations of a grid to explore vibrant, subtle color relationships and perceptions of depth and form, both complemented by Graeber's rarely exhibited sculptural constructions.

#### > Steel Sculptures by George Schroeder

Schroeder's showcases welded steel forms and rough, organic surfaces. Schroeder's sculptural works were complemented by drawings and works on paper inspired by the sculpture's forms.



## Art Coming to New Stinson Terminal

Local artist Cakky Brawley has designed a 16 foot diameter aluminum compass that will be installed as an inlay into the terrazzo flooring of the new addition to the Stinson Terminal facility.

# The Future Will Be Here Before We Know It!

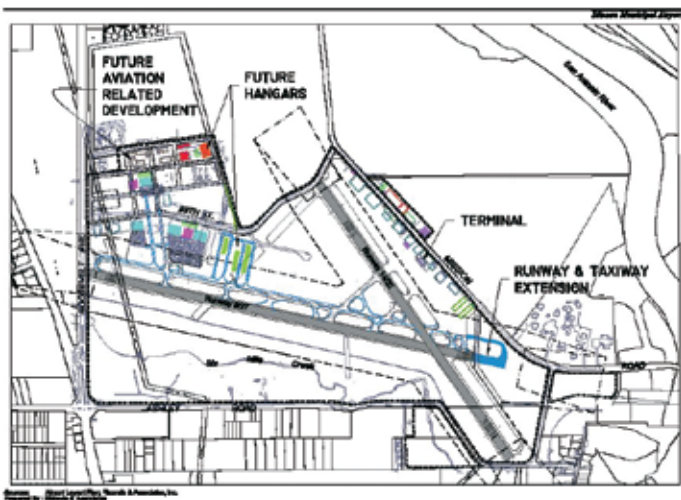
## SAT Terminal, Parking & Roadway Expansion Program



Master plans for San Antonio International and Stinson Municipal Airports made recommendations for the future development of these aviation facilities. During subsequent years, architects and engineers have been busy programming future facilities and developing construction plans. The \$615 million Airport Capital Improvement Program (CIP), approved by City Council in 2006, permits a multi-year, phased implementation of proposed new facilities and infrastructure by 2011.

Central to expanding the Airport System is the planning and phasing required to keep pace with projected increases in aircraft activity and passengers, and to also position the City to create economic development opportunities that meet the growing demand for state-of-the-art aeronautical services and amenities.

## Stinson Expansion Program



## CIP Projects for the San Antonio International

- > Construction of Terminal B to replace Terminal 2.
- > Demolition of Terminal 2 and multiple older buildings in the terminal area.
- > Construction of Terminal C with initially 5 of the 11 planned gates.
- > Installation of new wayfinding and signage.
- > Modifications and upgrades to Terminal 1.
- > Utility relocation and upgrades.
- > Central plant modifications.
- > Construction of a 2,815 space long-term parking garage.
- > Extension of the two-tier roadway in Front of Terminal 1 to accommodate access to the new Terminals B & C.
- > Construction of new terminal area aircraft parking apron and utilities.
- > Extension of Runway 3/21 and associated taxiways.
- > Runway Safety Action Team airfield improvements.
- > Construction of drainage and roadway improvements along Sky Place Boulevard.
- > Design and construction of Taxiway R extension for general aviation facility development on the north side of the airport.
- > Acoustical treatment of eligible neighboring residences as part of the Noise Abatement Program.
- > Design and construction of a consolidated airport operations facility.
- > Design and construction of the East Air Cargo Expansion, Phases III & IV.
- > Design and construction of a new belly freight facility.

## Stinson Municipal Airport CIP Projects

- > Construction of the terminal addition to accommodate newtenant and customer service amenities.
- > Installation of hangar upgrades.
- > Installation of new navigation aides (PAPIS and REILS).
- > Design and construction of the Runway 9/27 extension and overlay.
- > Installation of security cameras and security fencing.
- > Construction of Runway 32 run-up pad.
- > Construction of T-hangar improvements.
- > Reconstruction of Taxiway A.
- > Extension of Taxiways D, D1 and D2.



# Aviation Department Team

## Aviation Employees

Kenneth Adame	Nora Castro	Felipe Garcia	Robert Hughes	Manuel Medrano	Belinda Rankin	John Sims
Manuel Adames	Sylvia Cavazos	David Garcia	Kim Igleheart	Michael Mejia	James Rea	Linda Sims
Tracey Adams	Alejandro Cavazos	Adan Garcia	Christopher Jackson	Arnold Melvin	David Reed	Douglas Singleton
Antonio Aguilar	Cheryl Caylao	Sandra Garza	Edna Jackson	Charles Mendenhall	Christopher Reininger	George Skinner II
Roger Aguilar	David Cazares	Gloria Garza	Alejandro Jimenez	Jesse Mendez	Felipa Rendon	Jennifer Smart
Christopher Aldrich	Ernesto Cervantes	Eusebio Garza	Philip Jlmenez	Lillian Mendez	Sylvia Rendon	Douglas Smith
Dustin Allinger	Alfred Chapa	Santiago Garza	Liquin Jin	Roberto Mendoza	Sandra Reyes	Kathleen Smith
Marie Alonzo	Stephanie Chapa	Diana Garza	Patricia Johnson	Joe Mergele	Stephanie Reyes	Jorge Solis
Suzann Anderson	Diana Chavez	Louis Gatica	Eric Kaalund	Daniel Merla	David Reyes	Amar Soojhai
Jesse Apolinar	John Chavez	Karl Geyer	Thurman Keiser	Fidel Mermeia	Mirella Reyes	Edward Sustaita
Francisca Arredondo	Kao Lin Chen	Roland Gloria	Denise Keith	Dean Minesinger	Jesse Reyes	Russell Swosinski
Juan Arreola	Joe Cloud	Robin Goddard	Dean Kloss	Yvonne Mireles	Michael Rivers	Vicki Tackett
Brenton Baker	Steven Cofield	Frank Gomez	Kay Kloss	Michael Mitchell	Ernestine Robinson	Guadalupe Talamantez
Mario Banez	John Coggins	Michelle Gomez	Coleman Kuykendall	Maria Montana	Andres Rocha	Sergio Talamantez
Antonio Barrera	Edwin Colon	Mark Gonzales	Lisa Kuykendall	Jose Montes	Ryan Rocha	Roger Tamez
Pablo Barrera	Maximo Contreras	Pete Gonzales	Isabelo Laboy	Elvis Moore	Abel Rodriguez	Sofia Tattersall
Kenneth Barrett	John Cortez	Elia Gonzales	Juan Landeros	Jose Morales	Monica Rodriguez	Travis Thornton
Marco Barretto	Jason Cosby	Roy Gonzales	Cynthia Lares	Johnny Morales	Cipriano Rodriguez	David Tila
Ruben Barros	Randal Covington	Lydia Gonzalez	Janie Larriba	Maria Morales	Irma Rodriguez	Ramon Tobias
Orlando Battles	Lloyd Crenwelge	Edvin Gonzalez	Richard Law	Epifanio Moreno	Mark Rodriguez	Juan Torres
Dennis Bell	Jesus Cruz	Noe Gonzalez	Harold Lawrence	Bernard Murphy	John Romero	Edward Torres
Teresa Bermea	Cordelia Cruz	Amalia Gorena-Bullis	Gregory Lawrence	Neal Newsome	Cheryl Rowell	Maria Torres
Gerard Blanco	Eulalio Cuevas	Richard Griffin	David Lawrence	Tuat Nguyen	Tony Ruiz	David Torres
Mary Blanco	James Cundiff	John Gruchacz	Jose Ledesma	Allan Nussbaum	Denise Saddler	Ray Trevino Jr.
Collis Boone	Vickie Curtis	Maryalice Guedea	Jose Ledesma	James O'brien	Susan Saint Cyr	Paul Tschirhart
Andrew Bores	Chieu Dang	Stanton Guenther	Jesse Leyva	Timothy O'Krongley	Consuelo Salas	Eugene Ulbrich
Lisa Brice	Glen Davis	Eugenio Guerra	Bobbie Lindsey	Angel Olivares	Roberto Salazar	Joel Urdiales
Debora Briggs	Mercedes Davis	Olga Guerra	Alfred Lira	Larry Orsak	Mary Salazar-Gonzales	Sonia Valdez
Donald Brooks	Maria De La Cruz	Olga Guevara	Alfonso Lopez	Aurelio Ortiz	Neomi Salinas	Beatrice Valdez-Heidari
Lisa Brown	Robert De La Garza	Andres Lopez	Andres Lopez	Mark Osborn	David Salinas	Lindal Van Meter
Elizabeth Brown	Sylvia De La Rosa	Nicolas Lopez	Nicolas Lopez	David Ozuna	Eva Samaniego	Adela Vasquez
Michael Brozovic	Isabel De La Rosa	Patricia Lowery	Patricia Lowery	Homer Pachecano	Teresa Samaniego	Mercedes Vasquez
Ronald Bruner	Xavier De Leon	Mary Lynch	Mary Lynch	Frank Padilla, Jr.	Felix San Juan	Nelson Villegas
Michael Buecher	Modesto	Juan Gutierrez	Priscilla Macias	Robert Paris	Adolfo San Miguel	Janis Vogt
Michael Burkowski	De Los Santos	Maria Guzman	Carlos Madero	Jose Parra	Robert Sanchez	Brian Walsh
Ray Byler	Gerardo	Bryant Hall	La Sonya Madison	Raymond Perales	Richard Sanchez	Gail Ware
Marvin Byrd	De Los Santos	Cynthia Hallmark	Yvonne Malone	Arnulfo Perez	Glenda Sanchez	Wynetta Warren
Luis Cabrera	Rose Decker	Charles Hampton	Jessica Mansour	Tyrone Peterson	Albert Sandoval	Anita Weaver
Daniel Cadena	Daniel Delgado	Fostyr Harkins	Russell Martin	Lucille Pina	Elia Sandoval	Anthony Weaver
Wayne Camacho	Francisco Delgado	David Hebert	Morris Martin	Jerry Ploch	George Santana	Mark Webb
Pedro Campos	Bernard Deshalto	Timothy Heins	Suzanne Martin	Michael Ploch	Mark Satberry	Joyce Wiatrek
Philip Campos	Mark Diamond	Mario Hernandez	David Martln	Nathaniel Polsgrove	Juan Saucedo	James Wingate
Martha Cantu	Gislinde Dieter	Olivia Hernandez	Juan Martinez	Kenneth Powers	Sylvia Schaefer	George Wood
Maria	Guadalupe Espinosa	Annette Hernandez	Daniel Martinez	Lilia Powers	Wayne Schlentz	William Wright
De Lourdes Cantu	Hector Espinoza	Ernest Hernandez	Rosa Martinez	Barbara Prossen	Maricela Schmidtka	KathyYehl
Alfred Carnot	Rodolfo Estrada	Charlie Hernandez	Mark Martinez	Arthur Ramirez	Joseph Schueling	Mary Yturri
Rodolfo Carraman	Johnny Fisher	Nestora Hernandez	Linda Martinez	Veronica Ramirez	Jarrard Secrest	Charles Zahn
Antonio Carrasco	Francisco Flores	Michael Hernandez	Daniel Martinez	Robert Ramirez	Gregory Shadrock	Andrew Zapata
Dave Carreon	Judy Fordyce	Elena Herndon	De Escobar	Raul Ramirez	Kevin Shamin	Michael Zehr
James Caruso	Monica Galaviz	Edward Herrera	Felicita Martinez	Pedro Ramirez	Margaret Shannon	Ralph Zendejas
Joe Casiano	Daniel Gallagher	Allan Hickey	Quiroz	Irene Ramirez	Eddie Shear	Antonio Zertuche
Zoilo Castano	Gregory Galloway	Carmen Hill	Maria Mata	Louisa Ramirez	George Shelter	
Elena Castillo	Jose Luis Garcia	Barbara Hitchcock	Flacia Mayes	Luis Ramirez	Frances Sherertz	
Angelita Castillo	Maria Garcia	Floyd Holsonbake	Linda Mayfield	Maricela Ramirez-Garcia	Valerie Sherman	
Michael Castillo	Bruce Garcia	Hatsuko Horace	Mark Mc Carthy	Jose Ramos	Sidney Silva	
Jose Castillo	Frank Garcia	Clarence Houston	Carolyn Mc Kee	Jerry Rankln	Carol Simington	
Kathy Castillo-Quickel	Carlos Garcia		Thomas Medeiros			

## Airport Ambassadors

Meredith Altherr	Jack & Elaine DeLong	Jacque Garner	Ford Hicks	Barbara Loomis	Sue Pahl	Jerry Teaff
Mary Lou Bargnesi	Barbara "Babs" Dunlap	Jackie George	Carol Hoke	Gloria De Los Santos Lozano	Don Pahl	Ray Thompsett
Jim Beach	Lillian Edmunds	Daniel Gonzalez	Bennie & Sophye Hopper	Virginia "Gini" Mabry	Paul & Betty Patterson	Gary Tigett
Rodolfo "Rudy" Beltran	Rose Marie Elsner	Larry & Paulette Goodman	Lillian Hoting	Allene Martin	Rudy Quintero	Hank Vasquez
Jerry & Avis Bergh	Jim & Sandy Evetts	Lyal Gordon	Chris Anna Jacobs	Billie May	Earline Richardson	Delia Vega
Ellen Bockenfeld	Julie Fagan	Meri-Beth Graves	Doug Jacobsen	Reva McClenny	Gloria Robinson	Art Victor
Doug Boren	Herman & Carol Fisher	Richard Groomes	David Janca	Hart McCormick	Bernie Rose	Bob Walker
Kathleen Borkowski	Maury Floyd	Annice Guenther	Jacqueline Jemerson	Alonzo "Lonnie" Meggett	Julia Rosenberg	Billy Watson
Sylvia Braye	Helen Fox	Sean Habina	Carol Johnson	Meg Monks	Cher Ross	Pat Weil
Mary Burrow	Nellie Friedman	Hank & Sally Hadigian	Denise Jones	Shirley Montgomery	Al Russomano	Edwin Wells
Terri Carrington	Rudy & Betty Garanzuay	Gleta Haggard	Nancy Jones	Jo Myers	Loretta Sawyer	Joan Whealen
Ann Castleberry	Margaret Garcia-Healy	Fred Hallsworth	Patti Kamat	Elvis Neie	Gary Simons	Bill & Betty Wise
Kyong In Comparini	Mary Beth Gardner	Jim Helling	Jean Karren	Sharon Onnenga	George Smith	Gary & Mary Wilke
Steve Crenshaw		Ann Henry	Gert Lewis	Loretta Ortega	Dorothy Spencer	Celia Young
Carolyn Cuyler		Marlene Hess	Elmer & Elaine Loehlein	Pat Owensby	Eleanor Sprowl	Gary Young
					Bonnie Symonds	

# Expansion Program Accomplishments in 2006



## San Antonio International Airport (SAT)

During 2006, the initial phases of the terminal area expansion began with construction projects to realign roadways, relocate utilities away from new building sites, demolish unneeded buildings and construct replacement aircraft parking ramps. This work was necessary before construction of the large-scale projects could begin.

### Initiated or Completed Projects in 2006

- > A comprehensive utility replacement project to service the new terminals.
- > The Economy Parking Lot expansion to add an additional 900 parking spaces.
- > Demolition of a hangar and miscellaneous smaller buildings located within the footprint of the new two-tier roadway.
- > Construction of a cell phone waiting lot.
- > Design of the Terminal B In-line Baggage Screening System and concession areas.
- > A wayfinding and signage master plan to improve uniformity and clarity of signage within the airport roadways and terminal facilities.
- > Overnight aircraft apron replacement project south of Terminal 1.
- > Design for Taxiway R extension.
- > The new airport entrance marquees and improved landscape plantings – winner of the Beautification Award.
- > An Environmental Assessment (EA) process with conclusions now under review by the FAA, which will determine if extension of Runway 3/21 up to 8,500 feet and associated taxiways is to be approved.
- > Forty-two homes in the first phase of Acoustical Treatment Program (ATP).



# CIP Projects approved through City Council action in 2006

City Council awarded a \$42.8 million contract to Archer Western Contractors, Ltd. for construction of the two-tier roadway, as well as relocation of hydronic and other utility lines to serve the existing and new terminals. This project will replace the single level roadway in front of Terminal 2 by extending the two-tier roadway from its current termination at Terminal 1. It will serve future Terminals B and C with four lanes for passenger drop off on the upper (departures) level, and eight lanes with a center pedestrian island on the lower (arrivals) level for passenger pick-up.

2006  
CONTRACT  
AWARD



2006  
CONTRACT  
AWARD

A contract was awarded by City Council to the joint venture firm of Bartlett Cocke/Walbridge for redesign and construction of the new parking garage. This garage will be the product of a successful collaborative redesign effort between Bartlett Cocke/Walbridge and HNTB Corporation to bring the total cost of the project to an amount not to exceed \$46,315,500.00. At completion, the new garage will provide 2,815 long-term parking spaces within the terminal roadway. Phased construction will allow early opening of approximately 1,600 parking spaces by late 2007.





City Council awarded a \$6.4 million contract to Yantis Company for construction of the first of three phases of the Airside Apron & Utilities Project, which is in support of the Terminals B and C Expansion Project. The first phase includes demolition of existing aircraft ramp pavements and utilities between existing Terminals 1 and 2, and the reconstruction of ramp and utilities to accommodate proposed Terminal B.



City Council awarded a \$2.8 million contract to Constructors and Associates, Inc. for selective demolition and reconstruction of Terminal 2. This project reconfigures ticketing and baggage claim lobbies and relocates TSA screening equipment and airline tenants within Terminal 2. Relocations will allow selective demolition of the east portion of Terminal 2 in order to permit construction of the future Terminal B.



City Council appropriated \$9.5 million for utility service relocations by City Public Service, Time Warner Cable San Antonio and AT&T to provide improved power and communications to the Airport.







On April 6, 2006, City Council awarded a \$4,035,000 contract to Garco Contracting Company, Inc. for the construction of a terminal addition to accommodate new tenant and customer service amenities. This project will meet the needs of current Stinson tenants and potential tenants interested in locating to the Stinson Airport.



City Council amended the Professional Services Agreement with the firm of THC, Inc., the Acoustical Treatment Consultant (ATC), for the Acoustical Treatment Program (ATP) at SAT for an amount of \$10,684,414 for program management fees, construction costs, contingencies and establishment of a reserve for future design. The amendment continues the assignment of the ATC, originally awarded April 7, 2005, the work effort, accountability and responsibility for the design of improvements, construction, public relations and legal services to THC, Inc. to fully implement the program.

# Airport Neighbors Help Officials Launch Acoustical Treatment Program



Although there had been many months of planning and meetings with neighborhood residents, the San Antonio International Airport Acoustical Treatment Program (ATP) was officially launched on July 26, 2006 with a ribbon cutting ceremony at the first of 96 possible homes to benefit under Phase 1. The unveiling of this \$17.8 million dollar program was attended by city and state officials, area residents, and THC, Inc., the City of San Antonio's program manager for this project.

Of the 224 eligible homes, 182 homeowners elected to participate in Phases 1 and 2 of the Program. As of December 31, 2006, acoustical treatment was completed on 42 homes at an average cost of \$45,381.26 per home. Through 2006 ATP expended \$2,702,579.42, of which federal grant funding provided \$1,666,891.94.

The ATP is designed around the Single Parcel Method (SPM) of procurement. With this method, construction procurement is performed by the city's contractor for the ATP. Homeowners participate in the selection process and have an opportunity to review the portfolios from a pool of qualified contractors and conduct interviews before selecting a minimum of three contractors. The selected contractors prepare and submit bids to THC, Inc. who awards a construction contract to the lowest bidder. THC, Inc. holds the contracts and is directly accountable for the quality of work. For Phases 1 and 2, ten qualified contractors were awarded construction contracts. Of the ten qualified contractors, five contractors are Disadvantaged Business Enterprise (DBE)-certified resulting in a DBE participation of 38.3%.

The goal of the ATP is to reduce airport noise impacts on neighboring residents. The acoustical treatments may include replacement of existing windows and doors, as well as other modifications deemed necessary to achieve the targeted noise level reduction. Homeowners are able to select from various available treatment products, which allow them to maintain an "individual design" for the modification to their home. Involvement in the selection of contractors also gives homeowners a measure of comfort.

The FAA-approved Noise Compatibility Study Update for the Airport recommended the adoption of an ATP. Only homes located within areas exposed to significant noise, as defined by the FAA-approved Noise Exposure Maps are eligible to participate in the ATP. Eighty percent of the cost is funded by the FAA and the remaining 20% comes from the Airport Capital Improvement Program funds. Continuation of the ATP will be contingent upon the availability of additional FAA funding.





## Stinson Municipal Airport

During 2006, an Environmental Assessment (EA) process at Stinson Municipal Airport was completed. A Finding of No Significant Impact (FONSI) by the Texas Department of Transportation Aviation Division will allow design work on the Runway 9/27 Extension Project to begin in 2007.

### **The Spotlight was on Stinson's Terminal Expansion Groundbreaking**

On May 31, 2006, State Representative Carlos Uresti and City Councilman Roland Gutierrez joined City Officials, community leaders, Air Transportation Advisory Commission members, South San Antonio Chamber of Commerce, airport tenants, and neighborhood organizations at the groundbreaking ceremony held to launch construction of the Stinson Terminal Expansion Project.

The expansion program will have a dramatic impact on the services offered at the 91 year old airport. Once completed, the additional 27,000 square feet will provide state-of-the-art facilities that will serve the expanding general aviation needs in the fast growing business economy taking place south of downtown San Antonio. A partnership between Stinson and Palo Alto College will result in the college moving its entire aviation department to Stinson, taking advantage of the new classroom space to provide pilot training and aviation management. The Aviation Department is working with new aviation businesses that are interested in setting up operations in the expanded facilities alongside existing businesses that have an interest in growing at Stinson Municipal Airport.

# Operating Financials & Analysis







## 2006 SAT Passenger & Air Cargo

Activity	2005	2006	%chg
<b>Passengers</b>			
<b>Total Domestic Enplanements</b>	3,620,368	3,903,916	7.83%
<b>Total Domestic Deplanements</b>	3,630,930	3,928,351	8.19%
<b>Total Domestic Passengers</b>	7,251,298	7,832,267	8.01%
<b>Total Int'l Enplanements</b>	93,424	98,725	5.67%
<b>Total Int'l Deplanements</b>	92,568	100,413	8.47%
<b>Total Int'l Passengers</b>	185,992	199,138	7.07%
<b>Grand Total All Passengers</b>	7,437,290	8,031,405	7.99%
<b>Air Cargo in Pounds</b>			
<b>Total Domestic Freight Enplaned</b>	79,508,937	89,739,219	12.87%
<b>Total Domestic Freight Deplaned</b>	101,156,974	110,034,961	8.78%
<b>Total Domestic Freight</b>	180,665,911	199,774,180	10.58%
<b>Total Int'l Freight Enplaned</b>	4,092,542	4,156,224	1.56%
<b>Total Int'l Freight Deplaned</b>	4,246,579	3,840,710	-9.56%
<b>Total Int'l Freight</b>	8,339,121	7,996,934	-4.10%
<b>Total All Domestic &amp; Int'l Freight</b>	189,005,032	207,771,114	9.93%
<b>Total Mail Enplaned</b>	32,285,730	34,214,575	5.97%
<b>Total Mail Deplaned</b>	42,170,926	42,136,693	-0.08%
<b>Total Mail</b>	74,456,656	76,351,268	2.54%
<b>Grand Total Mail &amp; Freight</b>	263,461,688	284,122,382	7.84%

# Airport System Operating Financials & Analysis



The Airport System consists of San Antonio International Airport (SAT) and Stinson Municipal Airport (SSF). San Antonio International Airport is the primary airport in the San Antonio Metropolitan Area and serves a mix of commercial, military and general aviation traffic. It is situated on 2,600 acres, approximately eight miles north of downtown San Antonio. Stinson Municipal Airport, which serves as the general aviation reliever airport for SAT, has the distinction of being the second oldest, continuously operating general aviation airport in the U.S. It is located on a 310-acre site approximately six miles from downtown San Antonio or 14 miles south of SAT. Stinson has a mix of general aviation traffic, which had an overall increase in 2006 when compared to 2005.

The Airport System is financially self-sufficient. It receives no tax revenue or support from the City of San Antonio's General Fund. All income to the Airport System is derived from rentals and fees for the use of Airport facilities and services. Any income earned that exceeds annual operating and debt service (payment on Airport bonds) expenses is reinvested in new airport facilities.



## SAT Aircraft Operations Activity

	YEAR TO DATE		
	2005	2006	%CHG
<b>Air carrier</b>	95,016	103,836	9.28%
<b>Air Taxi</b>	24,324	19,557	-19.60%
<b>General Aviation</b>	82,864	84,313	1.75%
<b>Military</b>	5,415	4,328	-20.07%
<b>Total Itinerant</b>	<b>207,619</b>	<b>212,034</b>	<b>2.13%</b>
<b>Civil</b>	6,464	6,204	-4.02%
<b>Military</b>	688	696	1.16%
<b>Total Local</b>	<b>7,152</b>	<b>6,900</b>	<b>-3.52%</b>
<b>Total</b>	<b>214,771</b>	<b>218,934</b>	<b>1.94%</b>

## SSF Aircraft Operations Activity

	YEAR TO DATE		
	2005	2006	%CHG
<b>Air Taxi</b>	23	41	44%
<b>General Aviation</b>	41,248	44,897	8%
<b>Military</b>	6,697	6,297	-6%
<b>Total Itinerant</b>	<b>47,968</b>	<b>51,235</b>	<b>6%</b>
<b>Civil</b>	67,980	72,954	7%
<b>Military</b>	260	316	17%
<b>Total Local</b>	<b>68,240</b>	<b>73,270</b>	<b>7%</b>
<b>Total</b>	<b>116,208</b>	<b>124,505</b>	<b>7%</b>



# Small Business Programs



## SAT's Federal DBE and ACDBE Program Results for FY 2006

Based on expected DOT-assisted contracts totaling approximately \$15 million, SAT's overall adjusted Disadvantaged Business Enterprise (DBE) goal for FY 2006 (October 1, 2005 to September 30, 2006) was 20% for construction and professional services contracts. The overall DBE Contract award for FY 2006 was \$2,358,019, representing 16.2% goal achievement.

The DOT's Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program is designed to ensure a level playing field from which ACDBEs can successfully compete for airport concessions contracts, either directly or in partnering opportunities.

### Airport Concessions ACDBE FY 2006 Accomplishments

**Total \$ Gross Sales**  
\$25,636,790

**Total \$ ACDBE  
Participation**  
\$8,730,314

**% of Dollars  
to ACDBEs**  
34.1%

### Car Rental ACDBE FY 2006 Accomplishments

**Total \$ Revenue**  
\$62,144,359.00

**Total \$ Goods  
& Services**  
\$27,622,785.27

**Total \$ ACDBEs**  
\$1,496,984.40

**% of \$ to ACDBEs**  
5.42%

## City's Small Business Economic Development Advocacy Program

The City of San Antonio's SBEDA program is dedicated to serving small, minority, African-American, and women-owned business enterprises (SBE/MBE/AABE/WBE) by ensuring that an opportunity to compete for city contracts. SAT utilizes this program on Purchasing Bid, RFP, RFQ and RFI Opportunities. Awarded construction contracts totaled \$93.4 million in fiscal year 2006.

### Aviation Department's FY 2006 SBEDA Performance

	Goals	Accomplishments
Minority Business Enterprise	24%	27.9%
Women-Owned Business Enterprise	11%	5.7%
African-American Owned Business Enterprise	1.5%	0.01%
Small Business Enterprise	50%	34.3%







## Financial Highlights for FY 2006

For the fiscal year ending September 30, 2006, gross revenues totaled \$52,773,846, which represented an 11.9% increase over the prior year. The three most significant revenue sources to the Airport System include the airlines at \$12,176,330 (23.07% of total), parking fees at \$15,280,425 (28.95% of total) and concession revenues at \$15,431,158 (29.24% of total). Overall, non-airline revenues represented 76.93% of total revenues generated in FY 2006.

On the expenditure side, overall operating and maintenance expenses increased by 11.6% from \$26,411,104 in 2005 to \$29,471,318 in 2006. The increase in operating expenditures resulted primarily in the airfield, parking, administration and security areas. For 2006, gross revenues exceeded operating expenses, which increased net revenues by 12.2% from \$20,769,586 to \$23,302,528.

## Comparative Statement – Gross Revenues and Expenses

<b>GROSS REVENUES</b>	<b>FY</b>	<b>2005</b>	<b>FY</b>	<b>2006</b>	<b>% CHG</b>
<b>Airline Revenues</b>					
Landing Fees	\$	5,972,777		6,573,740	10.1%
Terminal Rentals (less refund)		6,302,886		4,575,396	-27.4%
International Passenger Fees		783,264		629,381	-19.6%
Ramp Fees		385,625		397,813	3.2%
<b>Subtotal Airline Revenue</b>	<b>\$</b>	<b>13,444,552</b>	<b>\$</b>	<b>12,176,330</b>	<b>-9.4%</b>
<b>Non-Airline Revenues</b>					
Property Leases		6,479,611		6,488,267	0.1%
Parking Fees		13,085,884		15,280,425	16.8%
Concession Revenues		12,553,585		15,431,158	22.9%
Stinson Airport		83,091		269,325	224.1%
Other Revenues		1,533,967		3,128,341	103.9%
<b>Subtotal Non-Airline Revenue</b>	<b>\$</b>	<b>33,736,138</b>	<b>\$</b>	<b>40,597,516</b>	<b>20.3%</b>
<b>Total Gross Revenue</b>	<b>\$</b>	<b>47,180,690</b>	<b>\$</b>	<b>52,773,846</b>	<b>11.9%</b>
<b>OPERATING &amp; MAINTENANCE EXPENSES</b>					
Airfield Area	\$	1,351,893		1,641,822	21.4%
Service Area		378,755		298,579	-21.2%
Terminal 2		2,219,679		2,395,515	7.9%
Terminal 1		3,226,762		3,528,282	9.3%
Fire & Rescue		3,444,348		2,829,072	-17.9%
Access		711,111		622,290	-12.5%
Central Plant		498,354		569,766	14.3%
Commercial & Industrial		77,376		77,478	0.1%
Other Buildings & Area		74,725		77,273	3.4%
Parking		2,546,002		3,342,497	31.3%
Stinson Airport		514,919		597,512	16.0%
Administration		5,671,675		7,034,412	24.0%
Maintenance, Direction & Control		1,053,701		1,164,646	10.5%
Security		2,902,909		3,401,352	17.2%
Operations		1,738,895		1,890,822	8.7%
<b>Total Operating &amp; Maintenance Expense</b>	<b>\$</b>	<b>26,411,104</b>	<b>\$</b>	<b>29,471,318</b>	<b>11.6%</b>
<b>Net Revenues*</b>	<b>\$</b>	<b>20,769,586</b>	<b>\$</b>	<b>23,302,528</b>	<b>12.2%</b>

\*Net revenues are utilized to pay debt service and fund airport capital projects.



## SAIA Airline Rates and Charges

Effective October 1, 2001, the City of San Antonio entered into a new Airline-Airport Use and Lease Agreement with the signatory airlines, which had an initial five-year term, and was extended in 2006 to 2009. This agreement incorporates the lease and use of the terminal complex and the airfield at the San Antonio International Airport (SAT), and establishes basically a “compensatory” rate making methodology where the signatory airlines pay fees and charges based on the city’s cost of providing facilities and services to the airlines.

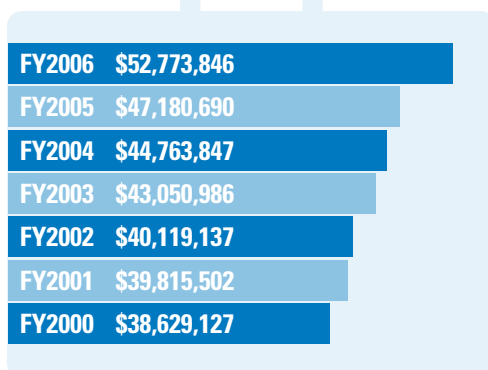
The city’s Aviation Department annually establishes and collects rentals, fees, charges, and amounts for the use, occupancy, services, facilities and operation of the Airport System. This process will produce in each fiscal year gross revenues at least sufficient (i) to pay all operation and maintenance expenses during each fiscal year and (ii) to provide an amount equal to 1.25 times the principal and interest requirements during each fiscal year on all then outstanding bonds similarly secured, and paid as set forth in the bond ordinances. Included in the Airline-Airport Use and Lease Agreement are calculations for sharing with signatory airlines net remaining revenues. Non-signatory airline rates and charges are the same as those charged to signatory airlines, but do not provide for the net revenue sharing component. Thus, the city charges two distinct rates to airlines operating at SAT.

Revenues generated from non-airline sources, which include airport parking fees, concession commissions, and landside tenant building and ground rentals, are pooled together with airline revenues in order to reduce the airlines’ cost of doing business at SAT. Maintaining low airline costs at the Airport helps to generate more air service for the community.

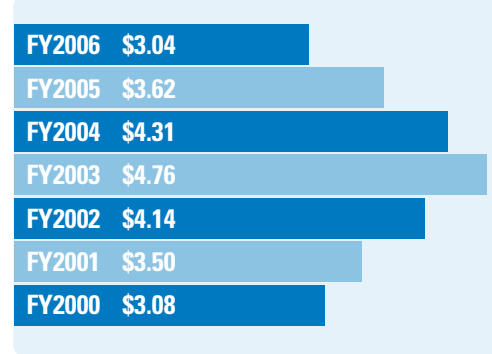
### Key Financial Measures for Airport System

Depicted on this and the following page are some key financial measures, which cover the period from FY2000 through FY2006. Financial performance is measured by dividing significant airport fiscal operations by the number of enplaned passengers for a given year.

### Operating Revenues

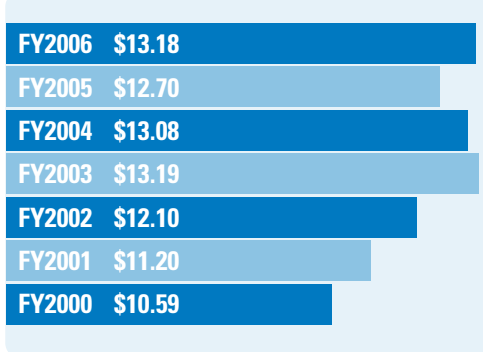


### Airline Cost per Enplaned Passenger



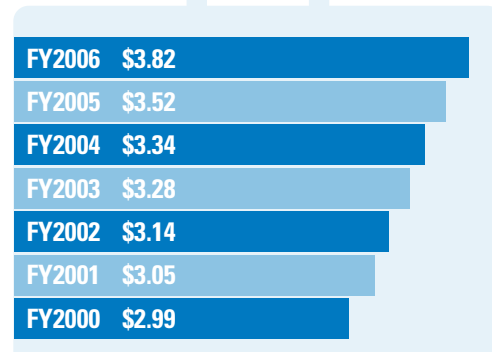
**Airline Cost** includes aircraft landing fees, aircraft ramp parking fees, terminal building rentals and the international passenger processing fee.

### Operating Revenue for Enplaned Passenger



**Operating Revenue** includes rentals and fees paid by the airlines, as well as all non-airline revenues.

### Parking Revenue per Enplaned Passenger



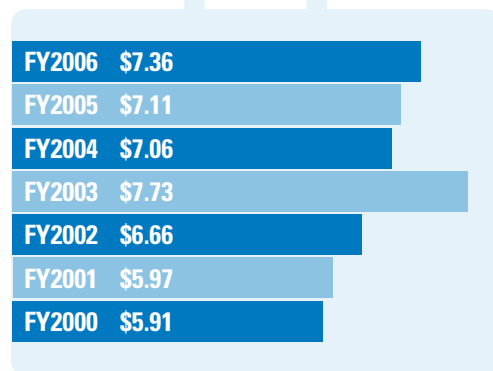
**Parking Revenue** includes fees derived from employee and public parking facilities.

## Operating Grants and Reimbursements

From May 2002 through September 2006, the San Antonio Airport System recorded \$1,392,187 in reimbursements from the Transportation Security Administration (TSA) for providing law enforcement services from the Airport Police Section of the Aviation Department on behalf of the TSA at the passenger security checkpoints in each terminal. In fiscal year 2006, the Airport System received \$368,714 from the TSA under an agreement for providing the law enforcement services.

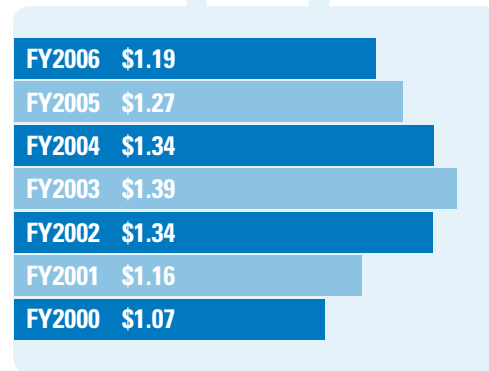
TSA regulations, as outlined in Public Law 107-71 of the Aviation and Transportation Security Act of November 2001, called for an increase in security measures pertaining to explosives detection at airports. The TSA Explosive Detection Canine Team Program is designed to assist airports in explosives detection by providing training for personnel and canines, training materials, canines and reimbursement of operating expenses up to \$40,000 per team annually. San Antonio International Airport first participated in this program in May 2002 when City Council authorized the acceptance of a reimbursement grant not to exceed \$120,500 to also include \$500 for travel expenses for an annual team review and certification, for a maximum of three canine teams. TSA authorized a fourth canine team in fiscal year 2004. This cooperative agreement with TSA expires on March 15, 2007. A total of \$410,000 was received from the TSA for this program for the fiscal year 2006.

### Operating Expense per Enplaned Passenger



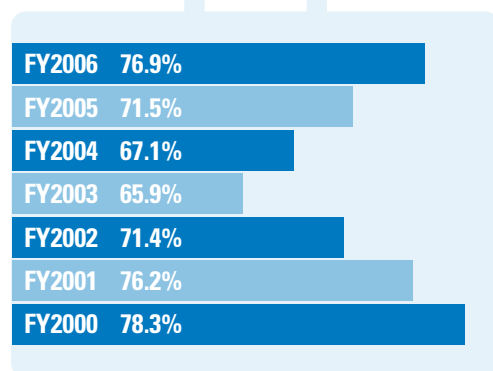
**Operating Expense** includes the cost of operating and maintaining city-owned airport property, excluding depreciation of assets and debt service expenses.

### Retail Concession Revenues per Enplaned Passenger

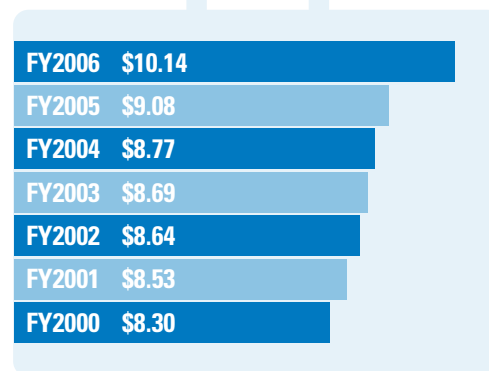


**Retail Concessions** include food and beverage outlets, gift and news shops, specialty retail shops and passenger services.

### Non-Airline Revenue Percent of Total Revenues



### Non-Airline Revenue per Enplaned Passenger



**Non-Airline Revenue** includes retail concessions, airport parking, lease of city-owned land and hangars to aircraft service companies, lease rentals from air cargo operators, interest income and administrative fees.



# Capital Improvement Financing Program

The San Antonio City Council adopted a six-year Airport System Capital Improvement Program (CIP) budget for the San Antonio Airport System with its approval of the fiscal year 2005-06 budget for the Aviation Department. The total CIP budget for the six-year period (2006-2011) is \$615,740,920, of which approximately 80% will go toward implementing the San Antonio International and Stinson Municipal Airport Master Plan projects.

## San Antonio International Airport

The International Airport's source of funds includes the Passenger Facility Charge (PFC), self-generated monies, federal Airport Improvement Program (AIP) grants, and proceeds from bond issues to finance construction of the new Terminal B, two-tier terminal-frontage roadway system, central heating/AC plant upgrades, aircraft parking apron replacement and new utilities. In addition to the aforementioned projects, the CIP includes construction of a 2,815-space long-term parking garage. The proposed garage structure will be financed through General Airport Revenue bonds.

Also included in the six-year CIP are several airfield capacity enhancements and Terminal C. Terminal C will be constructed initially with five gates and expanded in future phases up to 11 gates as passenger growth occurs. Issuance of additional bonds is planned for 2008 and 2010 in support of the next round of Airport CIP improvements. AIP grants, bond proceeds and matching airport-generated funds will be utilized to finance airfield capacity enhancements and noise abatement projects to include the residential Acoustical Treatment Program (ATP).

In order to take advantage of lower interest rates, on November 13, 2006, approximately \$17,725,000 in 1996 San Antonio Airport Revenue bonds were refunded in order to reduce the cost of interest. The transaction involved the issuance of new bonds at a low interest rate and utilization of the proceeds to retire the 1996 bonds, which were at a higher interest rate. It is estimated that a savings of \$730,487 was achieved through the bond refunding. The cost savings strengthens the financial position of the San Antonio International Airport, lowers the cost to the airlines and increases the amount of funds available for capital improvements. Through the process, the Airport also retained its high bond rating from the three (Fitch, Moody's, Standard & Poors) national credit rating firms.

## Stinson Municipal Airport

Implementation of the Stinson Airport Master Plan, Targeted Industry Study and Capital Improvement Program (CIP) includes expansion of the terminal building for additional tenant and customer services, airfield improvements to include the proposed runway extension and continued private investment in additional facility development.

The Stinson CIP was adopted as part of City Council's approval of the fiscal year 2005-06 budget for the Aviation Department. The CIP covers the fiscal years 2006 through 2011 and totals \$16,525,407, of which 46% will come from the state.

### Sources of Stinson CIP Funding 2006-2011

**Stinson Revolving  
Airport Fund**  
\$8,915,607

**Texas Department  
of Transportation  
Grants**  
\$7,609,800



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